

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 03943 01 OF 02 021202Z POSS DUPE
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 NEAE-00 USIA-15 /033 W
-----021333Z 035388 /44

P R 020600Z JUN 77
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC PRIORITY 8523
INFO USDOC WASHDC PRIORITY
AMEMBASSY RABAT
AMMEMBASSY TUNIS 610
AMCONSUL CASABLANCA
AMCONSUL DHAHRAN

UNCLAS SECTION 1 OF 2 JIDDA 3943

E.O. 11652: N/A
TAGS: BEXP, SA
SUBJ: APRIL 78 BUILDING AND CONSTRUCTION SEMINAR MISSION

1. EMBASSY HAS STRONG RESERVATIONS REGARDING SEMINAR ASPECTS OF SUBJECT. WE PREFER A SPECIALIZED MISSION BECAUSE MARKET POTENTIAL AND NEEDS FOR CONSTRUCTION SO GREAT THAT SEMINAR SEEDING IS NOT NECESSARY. TIME SPENT IN SEMINAR PRESENTATIONS THIS SUBJECT WOULD REPRESENT WASTED EFFORT HERE, AND WILL BE BETTER SPENT ON BUSINESS CALLS TO PROSPECTIVE AGENTS, DISTRIBUTORS AND PURCHASERS.

2. BUILDING MATERIALS AND CONSTRUCTION EQUIPMENT STILL HAVE TOP PRIORITY IN RESPONSE TO LOCAL NEEDS AT PRESENT BUT BY 1978 MARKET MAY PEAK. IN ANY CASE THE EMPHISIS SHOULD BE ON SALES AND NOT ON EXPLORATION. WHILE NO DEFINITE DATA IS AVAILABLE THERE HAS BEEN AN AMAZING AMOUNT OF RESIDENTIAL CONSTRUCTION IN JIDDA AND RIYADH. REAL ESTATE MARKET HAS SOFTENED A BIT FROM THE SELLERS MARKET WHICH EXISTED IN 1976 BUT WE BELIEVE DEMAND WILL CONTINUE AT MODERATE STRENGTH AT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 03943 01 OF 02 021202Z POSS DUPE

LEAST THROUGH 1979. THE PRODUCTS AND THEMES LISTED BELOW APPEAR TO US TO BE BEST TARGETS FOR A SPECIALIZED TRADE MISSION.

3. THE FOLLOWING INFO IS KEYED TO THE QUERIES OF REFTel IN ORDER RECEIVED. ITEMS H AND I ARE OMITTED AS SUGGESTED.

A. JIDDA 3 DAYS, RIYADH 2 DAYS, DHAHRAN 2 DAYS.
NOTE: THURSDAYS AND FRIDAYS ARE WEEKEND HOLIDAYS.
B. CLIMATE CONTROL IN BUILDING MATERIALS SELECTION
AND CONSTRUCTION; STANDARDS IN ESTABLISHING BUILDING
CODES; FIRE PREVENTION AND SAFETY IN OLD AND NEW
BUILDING CONSTRUCTION; SITE PREFABRICATION OF
COMPONENTS FOR MULTIPLE RESIDENTIAL UNITS; MAINTENANCE
MATERIALS AND TECHNIQUE FOR EQUIPMENT AND
STRUCTURES; SELF CONTAINED WASTE SYSTEMS FOR
MULTIPLE RESIDENTIAL OR INSTITUTIONAL BLDGS;
EFFICIENT BUILDING DEMOLITION SYSTEMS; AND
IMPROVEMENTS IN REINFORCED CONCRETE SYSTEMS
STRESSING STRENGTH AND ANTI-CORROSION FACTORS.
C. A) MODERN REUSABLE SCAFFOLDING SYSTEMS AND MATERIALS.
B) VINYL, ACRYLIC AND EPOXY FLOORINGS; WALL PANELING
C) WATER SAVING AND RECYCLING SYSTEMS.
D) INSULATION MATERIALS.
E) SAFETY EQUIPMENT - RESIDENTIAL AND INSTITUTIONAL-
SMOKE ALARMS, SPRINKLER SYSTEMS, FIRE PREVENTION,
ELECTRICAL,
F) LANDSCAPING EQUIPMENT AND MATERIALS,
G) CONCRETE DRILLING AND BORING EQUIPMENT;
H) BUILDERS HARDWARE MATERIALS,
I) BUILDING REPAIR AND MAINTENANCE EQUIPMENT-
TILE POLISHING MACHINES, MECHANICAL CLEANING
EQUIPMENT, EQUIPMENT AND MATERIAL FOR PREVENTION
OF DESERT SAND INFILTRATION SUCH AS CAULKING
MATERIALS FOR WINDOWS, DOORS AND OTHER INLETS.
D. THE DYNAMICS OF THE CURRENT SAUDI MARKET REQUIRES
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JIDDA 03943 01 OF 02 021202Z POSS DUPE

PAST STATISTICAL INFORMATION IRRELEVANT. IN ANY CASE
TRADE DATA IS AVAILABLE ONLY UP TO 1974 AND PRODUCTION
OF ALL ABOVE MATERIALS AND EQUIPMENT IS ALMOST NON-
EXISTENT. NEW AFFLUENCE SINCE THE 5 FOLD OIL PRICE
INCREASE HAS FED THE DEMAND FOR ALL ITEMS. IMPORTS
IN MOST CATEGORIES WHERE DATA IS AVAILABLE SHOW 400
AND 500 PERCENT INCREASES SINCE 1973. THE HISTORICAL
PERCENTAGE OF U.S. SHARE OF THE MARKET HAS BEEN ABOUT
30 PERCENT BUT IN ELECTRICAL GOODS AND CONSTRUCTION
MATERIALS CATEGORIES IT HAS BEEN OVER 50 PERCENT.
THIS TREND SHOULD CONTINUE.
E. IMPORT DUTIES ARE 3 PERCENT AD VALOREM EXCEPT FOR
WINDOW AND DOOR FRAMES, SOME OF WHICH ARE LOCALLY
FABRICATED, AND FOR WHICH A 20 PERCENT DUTY MAINTAINS.
PRICING OF ALL GOODS IS ON A SUPPLY DEMAND BASIS IN
THE LAISSEZ-FAIRE SAUDI BUSINESS CLIMATE. IMPORTERS
AND DISTRIBUTORS OF COMPONENT ITEMS GENERALLY LOOK
FOR 100 PERCENT PROFIT MARGINS BUT COMPETITIVE PRICING
IS PRACTICED WHERE NECESSARY. THE GOVERNMENT MAINLY

CONCERNS ITSELF WITH PRICES OF FOOD ITEMS. THERE ARE
NO CURRENCY RESTRICTIONS ON ENTRY OR REPATRIATION.
DOLLARS ARE FREELY CONVERTIBLE AS ARE RIYALS LOCALLY.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 JIDDA 03943 02 OF 02 021055Z POSS DUPE
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 NEAE-00 USIA-15 /033 W
-----021336Z 034755 /44

P R 020600Z JUN 77
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC PRIORITY 8524
INFO USDOC WASHDC PRIORITY
AMEMBASSY RABAT
AMMEMBASSY TUNIS 611
AMCONSUL CASABLANCA
AMCONSUL DHAHRAN

UNCLAS SECTION 2 OF 2 JIDDA 3943

F. MAJOR COMPETITION IN ORDER OF IMPORTANCE IS FROM
ENGLAND, GERMANY, JAPAN, FRANCE, BELGIUM, AND ITALY,
MOST OF WHICH ARE NEWCOMERS TO THE MARKET. ALMOST
ALL HAVE LARGE TRADE DEFICITS WITH SAUDI ARABIA DUE
TO INCREASING OIL IMPORTS AND HIGHER PRICES WHICH
THEY ARE SEEKING TO REDRESS BY INCREASING EXPORTS.
TRADE HAS FOCUSED ON BUILDING MATERIALS AND CONSTRUCTION
EQUIPMENT, SINCE THIS HAS CURRENTLY THE HIGHEST TRADE
POTENTIAL AND THE MOST RAPID RETURNS IN PROFITS. IT
MAY REACH ITS PEAK IN 1978.

G. THERE ARE NO PROMOTIONAL EVENTS NOW KNOWN IN
CONFLICT WITH THE MISSION'S TIME FRAME. THE ANNUAL
SAUDI FAIR, OPERATED BY PRIVATE ENTREPRENEURS, USUALLY
RUNS IN THE LAST TWO WEEKS OF MARCH.

J. U.S. FIRMS RELATED TO SUBJECT WHICH HAVE OFFICES
HERE ARE: REZATRADE EXPORT CORP., LONG ISLAND CITY,
NEW YORK; THE TUMPANE CO., INC., VANCOUVER, WASHINGTON;
VINNELL CORP., ALHAMRA, CALIFORNIA; ALLIS-CHALMERS,
MILWAUKEE, WISCONSIN; TURK CONSTRUCTIONCO., KINGSTON,
NEW YORK; O'BRIAN & BRAUER CONSTRUCTION, INC.,
BROOKFIELD, WISCONSIN; FRIEDRICH REFRIGERATORS, INC.,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 03943 02 OF 02 021055Z POSS DUPE

SAN ANTONIO, TEXAS; M.M. SUNDT CONSTRUCTION CO.,
TUCSON, ARIZONA; AZMAT CONSTRUCTION CORP., ENGLEWOOD,
NEW JERSEY; BENHAM, BLAIR & AFFILIATES, OKLAHOMA
CITY, OKLAHOMA; KAISER ENGINEERS & CONTRACTORS, INC.,
OAKLAND, CALIFORNIA; BLOUNT BROTHERS CORP., MONTGOMERY,
ALABAMA; BROWN, DALTAS & ASSOCIATES, CAMBRIDGE, MASS.;
BROWN & ROOT. INC., HOUSTON, TEXAS; BUTLER INTERNATIONAL
CO., KANASAS CITY, MISSOURI; CARLSON GROUP, INC.,
COCHITUATE. MASS.; CAUDILL. ROWLETT, AND SCOTT, HOUSTON,
TEXAS; C.M. ASSOCIATES, HOUSTON, TEXAS; CONSTRUCTION
EQUIPMENT SUPPLY INT'L LTD., MOUNT VERNON, N.Y.,
CROWN PACIFIC INTERNATIONAL, PEORIA, ILLINOIS; DAMES
& MORE, LOS AMGELES, CALIFORNIA; DANIEL INTERNATIONAL,
GREENVILLE, SOUTH CAROLINA; DEMAURO CONSTRUCTION CORP.,
LOWELL, MASS., DRAVO CORP., PITTSBURGH, PENNSYLVANIA;
H.K. FERGUSON CO., CLEVELAND, OHIO; FISK ELECTRIC CO.,
METARIE, LOUISIANA; GEORGE A. FULLER CO., NEW YORK;
GENERAL ELECTRIC CO., NEW YORK; GREEK & ARABIAN
GYROS, INC., JACKSON HEIGHTS, N.Y.; GROVE INT'L CORP.,
NEW YORK, N.Y.; HARRISON CONSTRUCTION INT'L.,
NASHVILLE, TENNESSE; HENNINGSON, DURHAM & RICHARDSON
INT'L WASHINGTON, D.C.; INTERNATIONAL ENGINEERING,
SAN FRANCISCO, CALIFORNIA; INTERNATIONAL JOHNS MANVILLE,
DENVER, COLORADO; J.A. JONES AG, CHARLOTTE,
NORTH CAROLINA; KAISER ENGINEERS, OAKLAND, CALIFORNIA;
PULLMAN-KELLOGG, HOUSTON, TEXAS; SAGE CORP., MIAMI,
FLORIDA; KULJIAN ENGINEERS & CONSTRUCTORS, PHILADEL-
PHIA, PENNSYLVANIA; LINBECK CONSTRUCTION CORP.,
HOUSTON, TEXAS; LITTON INDUSTRIES, BEVERLY HILLS,
CALIFORNIA; METCALF & EDDY LTD., BOSTON, MASS.;
DAY & ZIMMERMAN, PHILADELPHIA, PENNSYLVANIA; MASTER
BUILDERS, CLEVELAND, OHIO; MORRISON-KNUDSEN CO., INC.,
BOISE, IDAHO; THE L. E. MYERS CO., CHICAGO, ILLINOIS;
OWL CONSTRUCTORS, TUCSON, ARIZONA, PEPPER CONSTRUCTION
CO., CHICAGO, ILLINOIS; PERINI CORP., FRAMINGHAM,
MASS.; POOLE & KENT INT'L, INC., BALTIMORE, MARYLAND;
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JIDDA 03943 02 OF 02 021055Z POSS DUPE

RAYMOND INT'L,
INC., HOUSTON, TEXAS, CARNS CONSTRUCTION CO., TULSA,
OKLAHOMA; WILLIAM BROS, INTZ'L CORP, TULSA, OKLAHOMA;
RALPH M. PARSONS CO., PASADENA, CALIFORNIA; SAUDI FAB
INT'L CORP., MIAMI, FLORIDA; GULF CONSTRUCTION SERVICES
ERIE, PENNSYLVANIA; AMERICAN CONSTRUCTION & TECHNOLOGY
INT'L SAN FRANCISCO, CALIFORNIA; SKIDMORE, OWINGS &
MERRILL, NEW YORK, N.Y.; SOULE STEEL CO., SAN

FRANCISCO, CALIFORNIA; RESTON INT'L CONSTRUCTION CO.,
RESTON, VIRGINIA; TECON CONSTRUCTION OVERSEAS CORP.,
DALLAS, TEXAS; 3/D INT'L CONSULTANTS, INC. NEW YORK,
N.Y.; VULCAN MATERIALS CO., BIRMINGHAM, ALABAMA;
TURNER CONSTRUCTION CO., NEW YORK, N.Y.; WALTER
KIDDE & CO., INC., BELLEVILLE, NEW JERSEY; WASTE
MANAGEMENT, INC. HINSDALE, ILLINOIS; WESTINGHOUSE
ELECTRIC CORP., PITTSBURGH, PENNSYLVANIA; WILCOX
ELECTRIC, INC., KANASAS CITY MISSOURI; H.B.
ZACHRY CO.(INT'L), SAN ANTONIO, TEXAS; LEXTON HOMES
KANSAS CITY, MISSOURI; MORAN/BROWN, ALHAMBRA, CALIF.;
AND SPAN-CRETE, MILWAUKEE, WISCONSIN.
K. PROSPECTS FOR SPONSORSHIP BY SAG APPEAR
DOUBIOUS. CHAMBER OF COMMERCE IN JIDDA AND RIYADH
POSSIBLE . THERE ARE NO PROFESSIONAL ORGANIZATIONS
IN SAUDI ARABIA.

4. EMBASSY HAS EXPEDITED THIS REPLY TO SUGGEST
CHANGING SEMINAR TO FULL MISSION. PLEASE INFO
DHAHRAN IN FURURE MESSAGES. THIS SUBJECT.
HORAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA03943
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770196-0849
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770699/aaaadijx.tel
Line Count: 245
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1912c486-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2308015
Secure: OPEN
Status: NATIVE
Subject: APRIL 78 BUILDING AND CONSTRUCTION SEMINAR MISSION
TAGS: BEXP, SA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/1912c486-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009